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FEDERAL COMMUNICATIONS COMMUNICATION OFFICE OF SECRETARY

GTE Service Corporation 1850 M Street, N.W., Suite 1200 Washington, D.C. 20036 (202) 463-5292

Carol L. Bjelland
Director
Regulatory Matters
December 1, 1994

**DOCKET FILE COPY ORIGINAL** 

Mr. William Caton Acting Secretary Federal Communications Commission 1919 M Street, N. W. Washington, D. C. 20554

RE: EX PARTE: PR DOCKET 94-105

This letter shall serve as notification that, on November 30, 1994, representatives of GTE met with Mr. John Cimko, Mr. Doron Fertig, Ms. Julia Kogan and Mr. Michael Wack of the Commission Staff to discuss GTE's position concerning issues raised in the above-referenced matter. The attached materials were used in the course of the discussion.

Please include this letter, and the attached materials, in the record of this proceeding in accordance with the Commission's rules concerning ex parte communications.

Sincerely,

Carth By 1 Carol L. Bjelland

**Attachment** 

C: J. Cimko

D. Fertig

J. Kogan

M. Wack

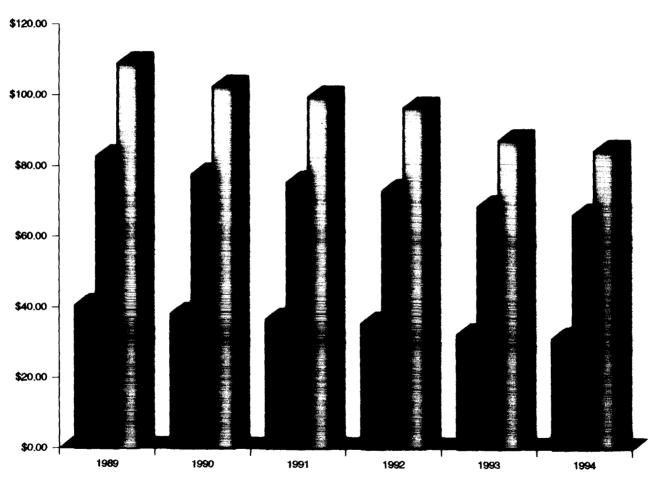
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| Monthly Bill Figures for Specifie | <u></u>      |          |                              |                 | 11/28/94 |          |        |
|-----------------------------------|--------------|----------|------------------------------|-----------------|----------|----------|--------|
| Bay Area and Santa Barbara/SL     | .0 /         |          |                              |                 |          |          |        |
|                                   | Acess        |          | Average Cost per Minute for: |                 |          |          |        |
|                                   | Charge       | 60 MOU   |                              | 120 <b>M</b> OU |          | 480 MOU  |        |
| RETAIL:                           |              |          |                              |                 |          |          |        |
| Safety                            | \$27.97      | \$68.17  |                              | \$108.37        |          | \$349.57 |        |
| Economy *                         | \$46.95      | \$58.95  | -5.1%                        | \$82.95         | -3.6%    | \$226.95 | -1.3%  |
| Standard **                       | \$74.95      | \$74.95  | -1.3%                        | \$78.75         | -6.3%    | \$215.55 | -4.0%  |
| Universal                         | \$109.95     | \$109.95 |                              | \$109.95        |          | \$204.30 |        |
| Professional **                   | \$146.95     | \$146.95 | -19.1%                       | \$146.95        | -19.1%   | \$183.70 | -20.7% |
| Executive                         | \$196.95     | \$196.95 |                              | \$196.95        |          | \$196.95 |        |
| Large User (50-109)               | \$29.90      | \$50.46  | -13.8%                       | \$71.01         | -15.9%   | \$194.35 | -19.2% |
| Large User (110-249)              | \$29.80      | \$50.15  | -9.3%                        | \$70.50         | -11.5%   | \$192.62 | -14.8% |
| Large User (250+)                 | \$29.74      | \$49.72  | -9.2%                        | \$69.70         | -11.7%   | \$189.58 | -15.5% |
| Multi-User (25+)                  | \$45.95      | \$52.75  |                              | \$73.15         |          | \$195.55 |        |
| RESELLER:                         |              |          |                              |                 |          |          | -      |
| Safety                            | \$19.01      | \$51.17  |                              | \$83.33         |          | \$276.29 |        |
| Economy *                         | \$33.20      | \$42.80  | -6.5%                        | \$62.00         | -4.5%    | \$177.20 | -1.6%  |
| Standard **                       | \$54.69      | \$54.69  | 0.0%                         | \$57.73         | -5.5%    | \$167.17 | -3.2%  |
| Universal                         | \$83.84      | \$83.84  |                              | \$83.84         |          | \$159.32 |        |
| Professional **                   | \$113.13     | \$113.13 | -12.9%                       | \$113.13        | -12.9%   | \$142.53 | -14.9% |
| Executive                         | \$150.90     | \$150.90 |                              | \$150.90        |          | \$150.90 |        |
| Multi-User (25+)                  | \$32.88      | \$38.32  |                              | \$54.64         |          | \$152.56 |        |
| * Formerly called the Basic V     | alue Plan    |          |                              |                 |          |          |        |
| ** Formerly called the Saver P    | lan          | _        |                              |                 |          |          |        |
| *** Formerly called the Freque    | nt User Plan |          |                              |                 |          |          |        |
|                                   |              |          |                              |                 | -        |          | 1      |

## CALIFORNIA REGULATORY ENVIRONMENT

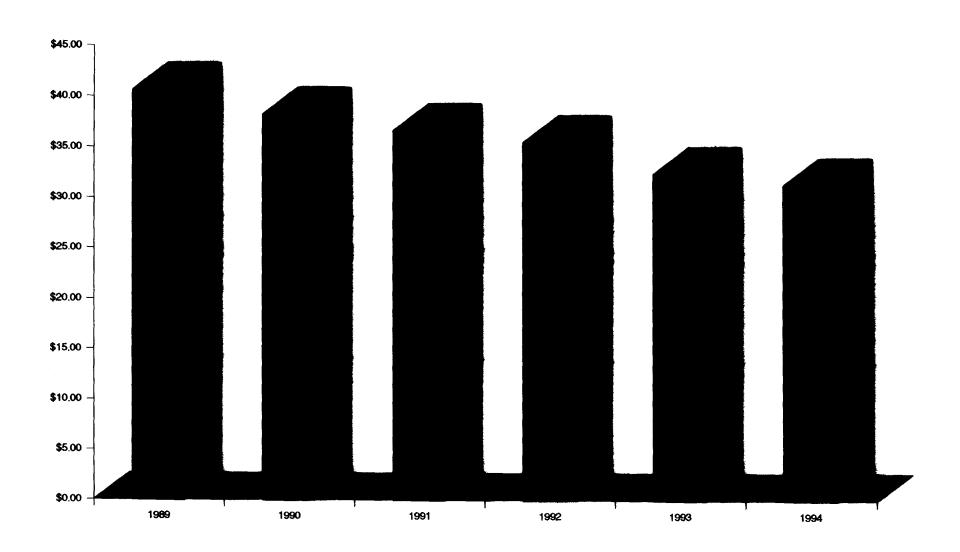
- 1. CPUC has not met its burden of proving that cellular rates are unreasonable, discriminatory, or that cellular service is a replacement for land line telephone exchange service for a substantial portion of the telephone land line exchange service within the state.
- 2. Prices in California have declined over time.
  - · Nominal prices have declined.
  - · Real prices have declined.
  - Numerous promotions, rate plans and rate decreases over past five years.
  - Minority of customers still subscribe to the basic plan. Remaining customers subscribe to plans tailored to their needs.
- 3. Based on GTE's market research, market share has not remained static over time. Share fluctuates between facilities based carriers. GTEM resellers share has remained relatively constant.
- 4. California regulation does not benefit consumers, rather it is designed to benefit resellers.
- 5. Issue of excess capacity is irrelevant.

## California Contel Cellular Inc. Best Price Plan (Adjusted for Inflation)

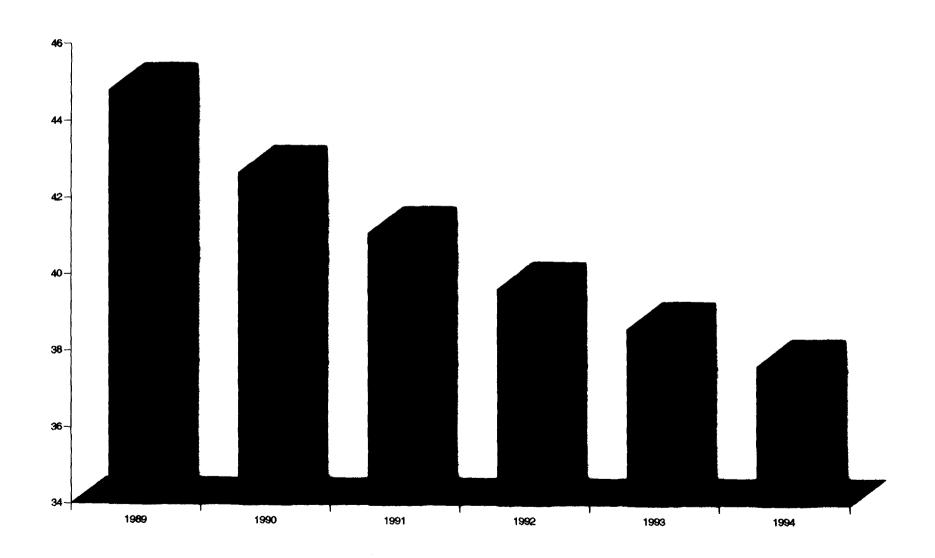


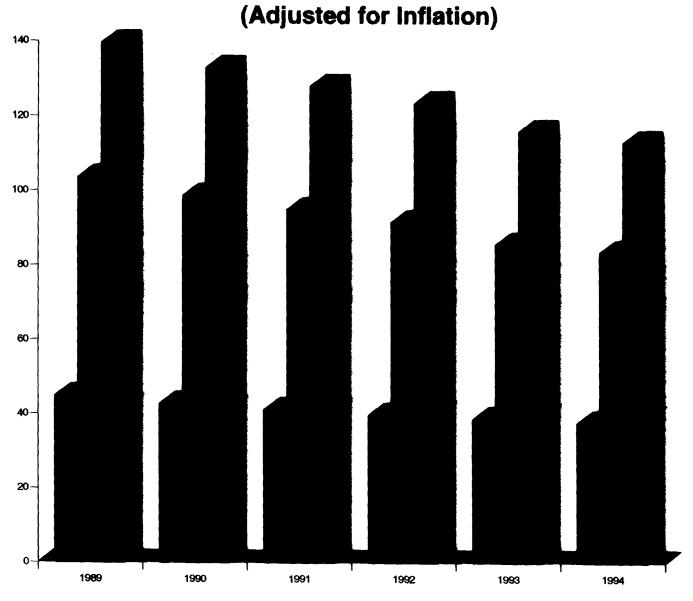
■ 30 Minutes ■ 160 Minutes ■ 250 Minutes

California
Contel Cellular Inc.
Best Price Plan (Adjusted for Inflation)
30 Minutes



California
GTE Mobilnet
Best Price Plan (Adjusted For Inflation)
30 Minutes





■ 30 Minutes ■ 160 Minutes ■ 250 Minutes